Remittance of States' shares by Central Government

909. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Government is deducting the dues of the State Governments while remitting the share of States as per the recommendations of the Finance Commission;

(b) if so, what are the State-wise details of the deduction made by the Central Government during the year 1992-93; and

(c) whether any State Government have objected to this practice?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir. Finance Commission devolutions are only some of the items of transfer out of the total transfer to the State Governments. In case any State Government defaults in their payment of dues to the Centre, adjustment is made from amounts payable by the Centre to the State Governments including Finance Commission devolutions, if necessary.

(b) An amount of dues of Rs. 51.76 crores was deducted from the Finance Commission devolutions made to Assam during 1992-93 (upto January, 1993).

(c) No, Sir.

Reduction in Fiscal Deficit

910. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government expects its interest payments to go up by Rs. 6000 crores next year making its task of furthe reducing the fiscal deficit during the year 1993-94 much more difficult; and

(b) if so, what steps are proposed to be taken by Government to find out the alternatives to reduce the fiscal deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Government's total interest payments next year are estimated at Rs. 38,000 crores, as against Rs. 32,500 crores in the Revised Estimates 1992-93. However, as shown in the Budget presented on 27th February, 1993, it has been possible to reduce the fiscal deficit as a percentage of estimated G.D.P. in 1993-94, through a combination of measures to contain overall Non-Plan expenditure, excluding interest payments, and improve tax and non-tax revenue receipts.

Ray Committee Recommendations

911. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the H. N. Ray Committee set up by Government to go into the pay and DA of the employees of the Central Government and Public Sector Undertakings has lubmitted its report;

(b) if not, the reasons for the delay; and

(c) if the report has already reached Government what are the salient recommendations made by this Committee and what are the financial implications involved therein?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Does not arise.

(c) The major recommendations of the Committee relate to (i) the setting up of a new Pay Commission, (ii) changing the existing neutralisation formula for payment of dearness allowance, (iii) identification of common "Bench Mark" posts